ETHICAL DILEMMAS

What would you do?

1: WORKSHEET

If you have concerns at work – you most probably have a dilemma! The longer you leave resolving it, the more chance there is for there to be repercussions for the organisation, yourself and the standing of the profession.

ETHICS CHECKLIST

Key questions to consider when facing an ethical dilemma rest on a personal feelings – you generally know if something feels right, if you are unsure ask yourself:

- Would I feel comfortable about my professional peers, family and friends knowing about the situation?
- How would I feel if I saw this in a newspaper?

Follow the eight steps of this checklist to further analyze the situation and decide next steps in resolving the issue.

ETHICS CHECKLIST
1 CHECK YOUR FACTS
• Identify / document all relevant facts
• Don't rely on assumptions
• Can anybody else help?
2 IS IT AN ETHICAL ISSUE?
• Does it feel right?
• Have you referred to the Code?
• Does it breach regulations / law?
3 IDENTIFY PRINCIPLES
• Integrity
• Objectivity
• Professional competence and due care
• Confidentiality
• Professional behaviour
4 AFFECTED PARTIES/COURSE OF ACTION
• Who are key affected stakeholders?
• Consider course of action
• Escalate internally / externally
5 SEEK ADVICE
• Legal / regulatory advisors
• CIMA Ethics Helpline
• Global Guidance Line
• www.cimaglobal.com/helplines
6 REFUSE TO REMAIN ASSOCIATED
• If you can't resolve – disassociate
• Ensure everything is documented
• Legal advice may be necessary
DOWNLOAD PDF
www.cimaglobal.com/ethics

CASE STUDY ONE: TAKEOVER INFORMATION

You are financial director of a large multinational organisation and have been privy to information about a takeover bid to acquire a rival firm. A family friend is considering selling shares in this rival organisation and has asked you, as an expert in the industry, for advice on this matter.

What would you do? Which principles are affected and how?

INTEGRITY
OBJECTIVITY
PROFESSIONAL COMPETENCE AND DUE CARE
CONFIDENTIALITY
PROFESSIONAL BEHAVIOUR

CASE STUDY TWO: WITHOLDING INFORMATION

You are a CIMA member who is a non-executive director of a large services company. The board of directors meets on a monthly basis to discuss the quarterly forecast and other business issues.

It is the responsibility of the finance director to distribute papers at least two weeks prior to the date of the meeting. These papers should first be signed off by the CEO. Recently documents have only been received a day before the meeting.

You have raised this with the finance director who has stated the delay is due to the sign-off by the CEO. You do not feel that you are given sufficient time to review the papers and also believe the information that is available is not complete and therefore difficult to fully appraise. The CEO is a dominant character and many members of the board are nervous about broaching the matter.

What would you do? Which principles are affected and how?

INTEGRITY
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CASE STUDY THREE: POSSIBLE INSOLVENCY

As financial controller at a manufacturing company you have been advised by a colleague that the sales director is unlawfully declaring fuel benefits as the tax value is high. This has been creating higher profit margins and if declared those margins will go down. There is potential that this could push the company into insolvency, which would result in job losses for 300 employees.

You have made the other directors aware of the situation but they have expressed a wish not to disclose the misleading tax bill. You are aware that by declaring this information to the tax authorities, as required by law, that the organisation may have to declare insolvency and the 300 employees could lose their jobs.

What would you do? Which principles are affected and how?

INTEGRITY	
OBJECTIVITY	
PROFESSIONAL COMPETENCE AND DUE CARE	
CONFIDENTIALITY	
PROFESSIONAL BEHAVIOUR	

CASE STUDY FOUR: FAMILY ISSUES

You are a CIMA student employed as a company secretary for a small family owned limited company. The board is made up of family members, with only one family member holding an executive position as managing director.

There are some disagreements within the family regarding the will of the recently deceased chair of the board, the mother of the family. The board have twice voted to pay pension contributions to one of the members of the family on the board as non-executive director, a brother of the managing director, and this has been approved by majority in meeting.
However, you have since been advised by the managing director not to make the payment.

CASE STUDY FIVE: EMPLOYEE ISSUES

You are a CIMA member who has recently joined a limited company that processes food. The company is effectively run by one director. The other directors are non-executive and all have close personal relationships.

As a key member of the finance team you have discovered that some employees are being paid cash in hand and not via the formal payroll. You also have suspicions that some of these people are being employed illegally and you have no records of their formal employment documents or contracts.

What would you do? Which principles are affected and how?

INTEGRITY	
OBJECTIVITY	
PROFESSIONAL COMPETENCE AND DUE CARE	
CONFIDENTIALITY	
PROFESSIONAL BEHAVIOUR	